

VERMILION PARISH SHERIFF

Abbeville, Louisiana

Financial Report**Year Ended June 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/5/11

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INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Couvillion
Vermilion Parish Sheriff
Abbeville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business type activities, the major fund, and the aggregate remaining fund information, of the Vermilion Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information, of the Sheriff as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2010 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress on pages 35 and 36 be presented to supplement the basic financial statements. Such information, although, not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's financial statements as a whole. The other supplementary information on pages 40 and 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 22, 2010

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 6,471,831	\$ 200,959	\$ 6,672,790
Interest-bearing deposits	1,138,524	-	1,138,524
Receivables	1,046,594	5,076	1,051,670
Interfund balances	3,925	(3,925)	-
Restricted assets:			
Inmate cash	<u>-</u>	<u>10,827</u>	<u>10,827</u>
Total current assets	8,660,874	212,937	8,873,811
Noncurrent assets:			
Capital assets, net	<u>2,915,817</u>	<u>136,320</u>	<u>3,052,137</u>
Total assets	<u>11,576,691</u>	<u>349,257</u>	<u>11,925,948</u>
LIABILITIES			
Current liabilities:			
Accounts payable	127,893	-	127,893
Other accrued liabilities	13,919	-	13,919
Due to other taxing bodies	77,317	-	77,317
Payable from restricted assets:			
Inmate deposits	<u>-</u>	<u>10,827</u>	<u>10,827</u>
Total current liabilities	219,129	10,827	229,956
Noncurrent liabilities:			
Due in more than one year	<u>351,101</u>	<u>-</u>	<u>351,101</u>
Total liabilities	<u>570,230</u>	<u>10,827</u>	<u>581,057</u>
NET ASSETS			
Invested in capital assets	2,915,817	136,320	3,052,137
Unrestricted	<u>8,090,644</u>	<u>202,110</u>	<u>8,292,754</u>
Total net assets	<u>\$ 11,006,461</u>	<u>\$ 338,430</u>	<u>\$ 11,344,891</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Activities
Year Ended June 30, 2010

	Functions/Programs	Program Revenues		Net (Expense) Revenue And Changes in Net Assets		
		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activity:						
Public safety:						
Law enforcement		\$10,150,063	\$1,470,707	\$ 1,192,563	\$ (7,486,793)	\$ -
						\$ (7,486,793)
Business-type activity:						
Commissary		59,510	95,977	-	-	36,467
						36,467
Total		\$10,209,573	\$1,566,684	\$ 1,192,563	(7,486,793)	(7,450,326)
Taxes:						
Property taxes, levied for general purposes					2,784,622	-
Sales taxes, levied for general purposes					4,649,053	-
Interest and investment earnings					18,225	622
Loss on disposal of assets					(31,679)	-
Miscellaneous					500,484	1,189
Total general revenues					7,920,705	1,811
						7,922,516
Change in net assets					433,912	38,278
						472,190
Net assets - July 1, 2009					10,572,549	300,152
						10,872,701
Net assets - June 30, 2010					\$11,006,461	\$338,430
						\$11,344,891

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Balance Sheet
Governmental Fund
June 30, 2010

	<u>General Fund</u>
ASSETS	
Cash	\$6,471,831
Interest-bearing deposits	1,138,524
Receivables	1,046,594
Due from other funds	<u>3,925</u>
Total assets	<u>\$8,660,874</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 127,893
Other accrued liabilities	13,919
Due to other taxing bodies	<u>77,317</u>
Total liabilities	219,129
Fund balance:	
Unreserved, undesignated	<u>8,441,745</u>
Total liabilities and fund balance	<u>\$8,660,874</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2010**

Total fund balance for governmental fund at June 30, 2010		\$ 8,441,745
Cost of capital assets at June 30, 2010	\$6,359,202	
Less: Accumulated depreciation	<u>(3,443,385)</u>	
Capital assets, net		2,915,817
Long-term liabilities at June 30, 2010		
Net OPEB obligation payable		<u>(351,101)</u>
Net assets at June 30, 2010		<u>\$11,006,461</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
Year Ended June 30, 2010

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$2,784,622
Intergovernmental revenues -	
Sales tax	4,649,053
State grants - state revenue sharing (net)	223,298
State supplemental pay	604,275
Law enforcement grant	364,990
Fees, charges, and commissions for services -	
Commissions on licenses, taxes, etc.	57,063
Fines and forfeitures	70,878
Civil and criminal fees	355,380
Court costs and attendance	209,617
Feeding, keeping, and transporting prisoners	777,769
Other	500,484
Interest income	<u>18,225</u>
Total revenues	<u>10,615,654</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	6,106,683
Operating services	1,337,954
Operations and maintenance	1,526,112
Capital outlay	<u>516,779</u>
Total expenditures	<u>9,487,528</u>
Excess of revenues over expenditures	1,128,126
Fund balance, beginning	<u>7,313,619</u>
Fund balance, ending	<u>\$8,441,745</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
Year Ended June 30, 2010

Total net change in fund balance for the year ended June 30, 2010 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 1,128,126
Add: Capital outlay costs which are considered expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balance	516,779
Less: Depreciation expense for year ended June 30, 2010	(828,213)
Less: Loss on disposal of assets	(31,679)
Less: Increase in OPEB obligation at June 30, 2010	<u>(351,101)</u>
Total changes in net assets for the year ended June 30, 2010 per Statement of Activities	<u>\$ 433,912</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Net Assets
Proprietary Fund
June 30, 2010

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 200,959
Other receivables	5,076
Restricted assets:	
Inmate cash	<u>10,827</u>
Total current assets	216,862
Capital assets, net of accumulated depreciation	<u>136,320</u>
Total assets	<u>353,182</u>
LIABILITIES	
Current liabilities:	
Due to other funds	3,925
Payable from restricted assets:	
Inmate deposits	<u>10,827</u>
Total current liabilities	<u>14,752</u>
NET ASSETS	
Invested in capital assets	136,320
Unrestricted	<u>202,110</u>
Total net assets	<u>\$ 338,430</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2010

	Enterprise Fund
Operating revenues:	
Commissary	<u>\$ 95,977</u>
Operating expenses:	
Depreciation	11,783
Other expenses	<u>47,727</u>
Total operating expenses	<u>59,510</u>
Operating income	<u>36,467</u>
Non-operating revenues:	
Interest income	622
Other income	<u>1,189</u>
Total non-operating income	<u>1,811</u>
Change in net assets	38,278
Net assets, beginning	<u>300,152</u>
Net assets, ending	<u>\$ 338,430</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2010

	Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 93,907
Payments to suppliers	<u>(47,727)</u>
Net cash provided by operating activities	<u>46,180</u>
Cash flows from noncapital financing activities:	
Other income	1,189
Payable to other funds	<u>3,925</u>
Net cash provided by noncapital financing activities	<u>5,114</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(84,097)</u>
Cash flows from investing activities:	
Interest on investments	<u>622</u>
Net decrease in cash and cash equivalents	(32,181)
Cash and cash equivalents, beginning of period	<u>243,967</u>
Cash and cash equivalents, end of period	<u>\$211,786</u>

(continued)

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Cash Flows
Proprietary Fund (continued)
Year Ended June 30, 2010

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 36,467
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	11,783
Changes in assets and liabilities:	
Increase in other receivables	(5,076)
Increase in due to inmates	<u>3,006</u>
Net cash provided by operating activities	<u>\$ 46,180</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash- unrestricted	\$ 236,146
Cash-restricted	<u>7,821</u>
Total cash and cash equivalents	<u>243,967</u>
Cash and cash equivalents, end of period -	
Cash- unrestricted	200,959
Cash-restricted	<u>10,827</u>
Total cash and cash equivalents	<u>211,786</u>
Net decrease	<u>\$ (32,181)</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Fiduciary Funds
Statement of Fiduciary Net Assets and Liabilities
June 30, 2010

ASSETS

Assets:	
Cash	\$ 422,904
Interest-bearing deposits	<u>982,734</u>
Total assets	<u>\$1,405,638</u>

LIABILITIES

Liabilities:	
Due to others	<u>\$1,405,638</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Vermilion Parish Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of the local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Vermillion Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities displays information about the reporting government as a whole. They include all funds of the reporting entity except the fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Sheriff and for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds and are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The governmental fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Proprietary Fund –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of the net income, financial position, and cash flows. The following is the Sheriff's proprietary fund type:

Enterprise Fund -

The Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to inmates on a continuing basis be financed or recovered primarily through charges; or (b) where the governing body has decided that periodic determination of revenues earned expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Sheriff applies all applicable FASB Accounting Standards Codification pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Sheriff's enterprise fund is the Commissary fund.

Fiduciary Funds -

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 1 of each year, and become delinquent on January 1 of the subsequent year. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

D. Budgets and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

1. The chief administrative deputy prepares a proposed budget for the general fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. See Note (2) for other GASB No. 3 disclosures.

F. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

portion of the applicable appropriation, is not employed by the Sheriff as an extension of formal budgetary integration in the funds.

I. Bad Debts

Uncollectible amounts due for accounts receivable are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivables. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at June 30, 2010.

J. Capital Assets

Capital assets, which include buildings, furniture, fixtures, equipment, and vehicles, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Computer equipment	3
Vehicles	5
Office furniture	5-10
Equipment	5-10

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

K. Annual and Sick Leave

All full-time employees of the Sheriff's earn from 10 to 15 days of annual leave, depending on their length of service. Full-time employees earn 8 hours sick leave per month actually worked. Sick leave accumulates from year to year, no monetary compensation is allowed at termination. The maximum days of sick leave

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

an employee can accumulate are 31.25 days (250 hours). At June 30, 2010, the Sheriff has no accumulated and vested benefits relating to annual and sick leave, which requires accrual or disclosure to conform with generally accepted accounting principles.

L. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

M. Fund Equity

In the fund financial statements, the governmental fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

N. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Louisiana law and national banks having principal offices in Louisiana. At June 30, 2010, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$9,227,779, as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash	\$ 6,683,617	\$ 422,904	\$ 7,106,521
Interest-bearing deposits	<u>1,138,524</u>	<u>982,734</u>	<u>2,121,258</u>
Total	<u>\$ 7,822,141</u>	<u>\$ 1,405,638</u>	<u>\$ 9,227,779</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2010, are secured as follows:

Bank balances	<u>\$ 9,264,272</u>
Federal deposit insurance	<u>9,264,272</u>
Total	<u>\$ 9,264,272</u>

As of June 30, 2010, the Sheriff's total bank balances were fully insured and collateralized with securities held in the name of the Sheriff by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

(3) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on January 1 on property assessed on that date and are actually billed to taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2010, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 9.08 mills on property with net assessed valuations totaling \$306,010,230.

Total law enforcement taxes levied during 2010 were \$2,778,571.

(4) Receivables

Receivables on the government-wide statement of net assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Sales tax receivable	\$ 830,627	\$ -	\$ 830,627
Other receivables	215,967	5,076	221,043
Total	<u>\$1,046,594</u>	<u>\$ 5,076</u>	<u>\$ 1,051,670</u>

(5) Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 27,476	\$ -	\$ 27,476
Other capital assets:				
Buildings and improvements	258,977	-	-	258,977
Jail addition	637,537	7,630	-	645,167
Equipment and vehicles	<u>5,041,624</u>	<u>481,673</u>	<u>95,715</u>	<u>5,427,582</u>
Totals	<u>5,938,138</u>	<u>516,779</u>	<u>95,715</u>	<u>6,359,202</u>
Less accumulated depreciation				
Buildings and improvements	139,999	9,132	-	149,131
Jail addition	173,922	27,799	-	201,721
Equipment and vehicles	<u>2,365,287</u>	<u>791,283</u>	<u>64,037</u>	<u>3,092,533</u>
Total accumulated depreciation	<u>2,679,208</u>	<u>828,214</u>	<u>64,037</u>	<u>3,443,385</u>
Governmental activities, capital assets, net	<u>\$ 3,258,930</u>	<u>(311,435)</u>	<u>31,678</u>	<u>\$ 2,915,817</u>

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Business-type activity:

Capital assets not being depreciated:

Construction in progress	\$ 4,209	\$ -	\$ 4,209	\$ -
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Capital assets being depreciated:

Buildings	175,022	10,696	-	185,718
Equipment	68,009	77,610	-	145,619
Totals	243,031	88,306	-	331,337

Less accumulated depreciation

Buildings	116,435	9,944	-	126,379
Equipment	66,799	1,839	-	68,638
Total accumulated depreciation	183,234	11,783	-	195,017

Total capital assets being

depreciated, net	59,797	76,523	-	136,320
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Business-type activity,

capital assets, net	\$ 64,006	\$ 76,523	\$ 4,209	\$ 136,320
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Depreciation expense was charged to the law enforcement governmental activity and to the commissary business-type activity in the amount of \$828,213 and \$11,783, respectively.

(6) Pension Plan

Substantially all employees of the Vermillion Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (retirement system).

Plan Description - The Vermillion Parish Sheriff contributes to the retirement system, a cost-sharing, multiple-employer defined benefit plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability, and survivor benefits to Sheriff and deputy Sheriff members throughout the State of Louisiana.

The retirement system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136, or by calling (337) 362-3191.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Vermillion Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. During the year ended June 30, 2010 the Sheriff began contributing 3% of the plan members required contributions. The contribution requirements of plan members and the Vermillion Parish Sheriff are established and may be amended by the Sheriff's Pension and Relief Fund. The Vermillion Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2010, 2009 and 2008 were \$554,494, \$548,720 and \$509,324, respectively.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	Civil Fund	Tax Collector Fund	Bond Fund	Total
Balances, June 30, 2009	\$ 101,512	\$ 1,133,604	\$ 177,538	\$ 1,412,654
Additions	1,245,631	30,536,369	1,123,119	32,905,119
Reductions	<u>(1,286,803)</u>	<u>(30,558,451)</u>	<u>(1,066,881)</u>	<u>(32,912,135)</u>
Balances, June 30, 2010	<u>\$ 60,340</u>	<u>\$ 1,111,522</u>	<u>\$ 233,776</u>	<u>\$ 1,405,638</u>

(8) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the tax collector fund at June 30, 2010, includes \$982,734 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(9) Litigation and Claims

At June 30, 2010, there is no pending litigation against the Vermilion Parish Sheriff's Office.

(10) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description: The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach age 55 and 15 years of service while working for the Sheriff. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriff's Association Office of Group Benefits. The plan does not issue a publicly available financial report.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The monthly premiums of these benefits for retirees and similar benefits for active employees are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.348 per \$1,000 of insurance. The employer pays for life insurance of \$10,000 after retirement for retirees and the retirees may elect to continue insurance amounts above \$10,000 after retirement. However, the rates for both are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, the 94GAR mortality table has been used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates: Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy: Until 2009, the Vermilion Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (Vermilion Parish Sheriff's Office's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2009, Vermilion Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending June 30, 2010, the Vermilion Parish Sheriff's Office's portion of health care funding costs for retired employees totaled \$116,197 and life totaled \$28,714.

Annual Required Contribution: Vermilion Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$434,900 for medical, and \$61,112 for life, as set forth below:

Normal Cost	\$ 216,744
30-year UAL amortization amount	<u>279,268</u>
Annual required contribution (ARC)	<u>\$ 496,012</u>

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Net Post-employment Benefit Obligation (Asset): The table below shows Vermilion Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2010:

Annual required contribution	\$ 496,012
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost (expense)	496,012
Contributions made	<u>(144,911)</u>
Increase in net OPEB obligation	351,101
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB obligation - end of year	<u>\$ 351,101</u>

The following table shows Vermilion Parish Sheriff's Office's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 496,012	29.2%	\$ 351,101

Funded Status and Funding Progress: In the fiscal year ending June 30, 2010, Vermilion Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$4,153,092 (medical) and \$676,160 (life), which is defined as that portion, as determined by a particular actuarial cost method (Vermilion

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Parish Sheriff's Office uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010, the entire actuarial accrued liability of \$4,153,092 (medical) and \$676,160 (life) was unfunded.

Actuarial accrued liability (AAL)	\$ 4,829,252
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,829,252</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 5,463,173
UAAL as a percentage of covered payroll	88.4%

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Vermilion Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Vermilion Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Vermilion Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method: The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets: Since this is the first actuarial valuation, there are no assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Turnover Rate: An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 12%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18-25	20.0%
26-40	12.0%
41-54	8.0%
54+	6.0%

Post employment Benefit Plan Eligibility Requirements: We have assumed that employees retire four years after the earliest eligibility to retire. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: age 55 and 15 years of service. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate): GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate: The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

Mortality Rate: The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits: The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical and dental benefits for the retiree only (not dependents). The medical rates provided are "blended" rates for active and retired prior to Medicare

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

(11) Risk Management

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision; surety bond coverage; and marine liability. In addition to the above policies, the Sheriff maintains a public officials liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years.

(12) New Accounting Pronouncements

In March 2009, the Governmental Accounting Standards Board (GASB) approved Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions (Statement)". The statement will require fund balances for each of the Sheriff's governmental funds to be displayed in various classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. The provisions of GASBS No. 54 must be implemented by the Sheriff for the fiscal year ending June 30, 2011. Implementation will require the Sheriff to restate existing fund balances for the governmental funds.

(13) Subsequent Events

The Sheriff evaluated subsequent events through December 22, 2010, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

VERMILION PARISH SHERIFF
Abbeville, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2010

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Ad valorem taxes	\$ 2,700,000	\$ 2,730,000	\$ 2,784,622	\$ 54,622
Intergovernmental revenues -				
Sales tax	5,850,000	4,550,000	4,649,053	99,053
State grants - state revenue sharing (net)	232,000	223,298	223,298	-
State supplemental pay	475,000	552,000	604,275	52,275
Law enforcement grant	90,000	295,150	364,990	69,840
Fees, charges, and commissions for services -				
Commissions on licenses, taxes, etc.	63,000	58,000	57,063	(937)
Fines and forfeitures	85,000	73,008	70,878	(2,130)
Civil and criminal fees	375,000	330,000	355,380	25,380
Court costs and attendance	332,000	321,000	209,617	(111,383)
Feeding, keeping, and transporting prisoners	517,000	621,500	777,769	156,269
Other	46,000	313,262	500,484	187,222
Interest income	20,000	18,000	18,225	225
Total revenues	<u>10,785,000</u>	<u>10,085,218</u>	<u>10,615,654</u>	<u>530,436</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	6,216,520	6,174,794	6,106,683	68,111
Operating services	1,607,500	1,249,530	1,337,954	(88,424)
Operations and maintenance	1,451,750	1,597,182	1,526,112	71,070
Capital outlay	297,000	406,178	516,779	(110,601)
Total expenditures	<u>9,572,770</u>	<u>9,427,684</u>	<u>9,487,528</u>	<u>(59,844)</u>
Excess of revenues over expenditures	1,212,230	657,534	1,128,126	470,592
Fund balance, beginning	<u>7,313,619</u>	<u>7,313,619</u>	<u>7,313,619</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,525,849</u>	<u>\$ 7,971,153</u>	<u>\$ 8,441,745</u>	<u>\$ 470,592</u>

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2010

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2008	N/A	N/A	N/A	N/A	N/A	N/A
June 30, 2009	N/A	N/A	N/A	N/A	N/A	N/A
June 30, 2010	-	4,829,252	4,829,252	0.0%	5,463,173	88.4%

**OTHER SUPPLEMENTARY
INFORMATION**

OTHER FINANCIAL INFORMATION

AGENCY FUNDS

Civil Fund

To account for funds held in connection with civil suits, sheriff's sales, and garnishments.

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bond Fund

To account for the collection of bonds, fines, and costs and payment of these collections to recipients in accordance with applicable laws.

VERMILION PARISH SHERIFF
Abbeville, Louisiana
Agency Funds

Combining Balance Sheet
June 30, 2010

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 60,340	\$ 128,788	\$233,776	\$ 422,904
Interest-bearing deposits	<u>-</u>	<u>982,734</u>	<u>-</u>	<u>982,734</u>
Total assets	<u>\$ 60,340</u>	<u>\$1,111,522</u>	<u>\$233,776</u>	<u>\$1,405,638</u>
LIABILITIES				
Due to taxing bodies and others	<u>\$ 60,340</u>	<u>\$1,111,522</u>	<u>\$233,776</u>	<u>\$1,405,638</u>

VERMILION PARISH SHERIFF
Abbeville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2010

	Civil Fund	Tax Collector Fund	Bond Fund	Total
Balances, beginning of year	\$ 101,512	\$ 1,133,604	\$ 177,538	\$ 1,412,654
Additions:				
Deposits -				
Sheriff's sales, suits, and seizures	987,065	-	-	987,065
Garnishments	166,199	-	-	166,199
Bonds	-	-	146,116	146,116
Fines, forfeitures and costs	91,770	-	976,255	1,068,025
Taxes, fees, etc., paid to tax collector	-	30,469,886	-	30,469,886
Interest	597	49,606	718	50,921
Other	-	16,877	30	16,907
Total additions	<u>1,245,631</u>	<u>30,536,369</u>	<u>1,123,119</u>	<u>32,905,119</u>
Total	<u>1,347,143</u>	<u>31,669,973</u>	<u>1,300,657</u>	<u>34,317,773</u>
Reductions:				
Taxes, fees, etc., distributed to taxing bodies and others	-	21,633,138	-	21,633,138
Deposits settled to -				
State agencies	-	8,018	27,200	35,218
Sheriff's General Fund	238,475	3,060,703	141,258	3,440,436
Clerk of Court	35,910	-	29,166	65,076
Police Jury	-	5,785,032	273,537	6,058,569
District Attorney	-	-	133,658	133,658
Crime lab	-	-	190,291	190,291
Indigent defender board	-	-	131,701	131,701
Litigants, attorneys etc.	742,780	-	49,483	792,263
Other settlements	5,881	-	32,386	38,267
Other reductions	<u>263,757</u>	<u>71,560</u>	<u>58,201</u>	<u>393,518</u>
Total reductions	<u>1,286,803</u>	<u>30,558,451</u>	<u>1,066,881</u>	<u>32,912,135</u>
Balances, end of year	<u>\$ 60,340</u>	<u>\$ 1,111,522</u>	<u>\$ 233,776</u>	<u>\$ 1,405,638</u>

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Michael Couvillion
Vermilion Parish Sheriff
Vermilion, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not

identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, items 10-1(IC) and 10-2(IC) described in the accompanying summary schedule of current and prior year audit findings that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Sheriff's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 22, 2010

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/10) --						
<u>Internal Control:</u>						
10-1(IC)	2004	Due to the small number of employees, the sheriff did not have adequate segregation of functions within the accounting system.	N/A	Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting functions. No response is considered necessary.	Ron Somnier, Chief Civil Deputy	N/A
10-2(IC)	6/30/2007	The Sheriff does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Sheriff has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Ron Somnier, Chief Civil Deputy	N/A
PRIOR YEAR (6/30/09) --						
<u>Internal Control:</u>						
09-1(IC)	2004	Due to the small number of employees, the sheriff did not have adequate segregation of functions within the accounting system.	N/A	Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting functions. No response is considered necessary.	Ron Somnier, Chief Civil Deputy	N/A
09-2(IC)	6/30/2007	The Sheriff does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Sheriff has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Ron Somnier, Chief Civil Deputy	N/A